

PHILIP MORRIS USA

INTER-OFFICE CORRESPONDENCE

120 PARK AVENUE, NEW YORK, NY 10017-5592

TO: DISTRIBUTION

DATE: July 1, 1992

FROM: Camille Abbruscato

*(Abbruscato)
(Bm)*

SUBJECT: CAMBRIDGE HARVEST OF SAVINGS CARTON
PROMOTION (PERIOD 7) ELEMENTS MEMO

OVERVIEW

Beginning in October, Cambridge will be executing the Harvest of Savings carton promotion. The promotion will offer consumers an instant redeemable \$5 on-carton coupon, plus a booklet of three "holiday-related" certificate offers delivered free with Cambridge pack UPCs. The promotion will be nationally distributed throughout carton outlets, primarily supermarkets.

RATIONALE

The Cambridge Harvest of Savings promotion has been designed to appeal to the price value smokers' interest in "value" versus on-pack incentives items. The certificate offers reflect significant monetary savings off of items/services that are typically used more frequently during the holiday season. In addition, the on-carton savings subsidizes approximately 30% of the average retail carton price.

OBJECTIVES/STRATEGIES

The primary objective of this promotion is to broaden the brand's consumer franchise by offering a combination of value and value-added. In addition, the program has been designed to encourage the consumer to re-visit the retailer for additional purchases, consequently encouraging increased retail support/ penetration.

These objectives will be accomplished by offering a high-value (\$5.00) on-carton coupon (note that currently Doral's average carton coupon value is at \$4.28, as well as the following certificates delivered free with Cambridge pack UPCs:

- 1) A \$10 certificate good towards any local or long distance phone service. The consumer simply places the certificate in with their phone bill and receives a \$10 savings. Available for 50 pack UPCs.

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- 2) A \$10 certificate good towards the purchase of a "holiday type" meat item such as a turkey or ham. The certificate will be redeemed at the local retailer as any other coupon. Available for 50 pack UPCs.
- 3) A \$6 certificate good towards film developing (any type of film or exposure) to be redeemed as any other store coupon. Available for 30 pack UPCs.

Note that on the holiday meat item and film processing certificate order forms the consumers will have the option of providing their retailer's store name which will be lasered onto the certificate. This will encourage the consumer to re-visit that store and likely make additional purchases.

PROMOTIONAL DETAILS

<u>Program Name</u>	<u>Cambridge Harvest of Savings</u>
<u>Offer:</u>	\$5.00 Off Carton plus Certificate Bounce Back Offers
<u>Cycle:</u>	Period 7 (10/5 - 11/13)
<u>Presell:</u>	September 1992
<u>Geography:</u>	National
<u>Trade Class:</u>	Carton Outlets: Supermarkets and Mass Merchandisers with greater emphasis in supermarkets
<u>Deals:</u>	939,000
<u>Units:</u>	187.8 million
<u>Displays:</u>	15,500

CO-OP ADVERTISING

The NAM's, UM's and SAM's will have the option of obtaining co-op advertising for this program. A payment of \$0.25 per carton is authorized. Ad slicks can be provided for use by Field Sales upon request. Strict adherence to warning box and T&N requirements must be met.

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PRODUCT

Field Sales will be allocated a total of 939,000 carton deals. Brand has funded a \$5.00 on-carton coupon (UPC # 5-2820061274-3) for this promotion.

Note that the on-carton coupon and the certificate booklet will be one integral unit which can be applied by the distributor or S/R's.

DISPLAY/POS

Thirty, sixty and two-hundred carton displays will be available to execute this promotion. Placement of free-standing displays is a priority. Promotional product is not to be placed on permanent carton racks. In addition, a variety of POS is available to help communicate this offer at retail.

<u>Contents</u>	<u>Display Kit #</u>
30 ctn display, header, large poster, dangler	10201
60 ctn display, header, large poster, dangler	10202
200 ctn semi-permanent display, header, large poster, dangler	10203

<u>Display Sizes</u>	<u>Dimensions</u>
30 Carton	29" L x 4 1/2" W x 46" H
60 Carton	41 1/2" L x 4 1/2" W x 46" H

ALLOWANCE/TERMS

The following are the allowances provided in support of this promotion:

<u>Display Payments</u>	<u>Payments</u>	<u>Promo Code</u>
30 carton	\$15.00/display	102A
60 carton	\$30.00/display	102B
200 carton	\$100/display	102C
Co-op Advertising	\$0.25/carton	102D
Distributor Assembly Payments: (to affix on-carton incentive)	\$9.00/12m case	821

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ORDERING PROCEDURE

Display and carton incentives requests should be made via PM Express Interactive Voice Response (IVR) beginning August 24th.

ATTACHMENTS

Materials Timetable / Listing
Coupon / Display Allocations

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MATERIALS TIMETABLE/LISTING

<u>ITEM</u>	<u>POS #</u>	<u>A&K</u>	<u>DUE PM EXPRESS</u>	<u>DUE FIELD</u>	<u>QTY</u>	<u>P/F</u>
Booklet w/On-Carton Coupon	66902	6/08/92	8/31/92	9/21/92	939,000	30
30 CTN Display & Header	66903	6/22/92	8/31/92	9/21/92	5,300	
60 CTN Display & Header	66904	6/22/92	8/31/92	9/21/92	9,000	
200 CTN Semi-Permanent Display	50568	Available at KDC	Available at KDC	9/21/92	n/a	
200 CTN Display Header	66905	6/22/92	8/31/92	9/21/92	1,200	
Large Poster	66906	6/22/92	8/31/92	9/21/92	23,250	
Dangler	66907	6/22/92	8/31/92	9/21/92	23,250	

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CAMBRIDGE CARTON DEAL ALLOCATION

<u>Section</u>	<u>30 CTN Display</u>	<u>60 CTN Display</u>	<u>200 CTN Display</u>	<u>\$5.00 CTN Coupon</u>
11	167	285	38	29,714
12	158	267	36	27,919
13	99	167	22	17,450
14	140	237	32	24,729
21	187	317	42	33,104
22	368	625	83	65,212
23	265	451	60	47,065
24	99	168	22	17,549
25	167	285	38	29,714
31	407	691	92	72,092
32	204	347	46	36,196
33	347	589	78	61,423
34	276	469	62	48,967
35	214	363	49	37,891
36	134	227	30	23,532
41	310	526	70	54,842
42	133	226	30	23,732
43	368	625	83	65,212
44	175	296	39	30,911
45	301	510	68	53,246
51	194	330	44	34,500
52	363	618	82	64,414
53	106	181	24	18,846
54	117	199	26	20,741
TOTAL	5,300	9,000	1,200	939,000

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